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OFFICE OF THE ATTORNEY GENERAL
COURT REPORTER

2014 SEP 30 AM 10:27

FEDERAL BUREAU OF INVESTIGATION

I write to file a complaint ("Complaint") against: 1) State Senator Steve Knight; and 2) State Senator Knight's authorized campaign committee, Steve Knight for Congress (FEC #: H4CA25123) (collectively, "Respondents"). This Complaint, which alleges that Respondents are in violation of 11 CFR §110.11, 11 CFR §106.3, and 11 CFR §104.3, is squarely within the Federal Election Commission's ("FEC" or "Commission") jurisdiction. Accordingly, and for the reasons stated below, I respectfully request that the Commission investigate this matter and penalize Respondents for their clear violations.

Violation of 11 CFR § 110.11 - Communications, advertising, disclaimers.

This Complaint will lay out the facts regarding Respondents' blatant and continuing disregard of Federal law. Mr. Knight is a candidate for the 25th Congressional District in California. The first violation concerns Respondents' radio advertisements in support of Mr. Knight, and the illegal disclaimer within the advertisement. The radio advertisement first aired on September 16, 2014, on KHTS AM 1220, located at 27225 Camp Plenty Road #8, Santa Clarita, CA, 91351. Less than one week later (starting on September 22 2014), the radio advertisement began to air on several other radio stations, such as KOSS-AM 1380, KQAV-FM 93.5, and KGMX 106.3 FM, all based in the Antelope Valley. This area comprises a great portion of the congressional district that Mr. Knight seeks to represent.

2010-04-04-1604

I have listened to the entire advertisement, and at the advertisement's end, a narrator quickly states: "Paid for by Steve Knight for Congress". (A copy of the audio file is attached as an Exhibit.) Through listening to the radio advertisement, I clearly discern the voice of the narrator who provides the disclaimer to be the voice of a woman, and clearly not the voice of Mr. Knight.

11 CFR §110.11 deals with disclaimers in communications and advertising; specifically § 110.11(c)(3) provides the specific requirements for radio and television communications authorized by candidates. We know that the radio advertisement is authorized by the candidate, the narrator's disclaimer says as much, so §110.11(c)(3) is applicable in this circumstance. And the statute states that "a communication that authorized or paid for by a candidate or the authorized committee of a candidate... that is transmitted through radio or television... must comply with the following: a communication transmitted through radio must include an audio statement by the candidate that identifies the candidate and states that he or she has approved the communication" (11 CFR §110.11 (c)(3)(i)).

In light of Respondents' radio advertisement that clearly uses a narrator to read the disclaimer at the end of the communication, instead of the candidate himself, Respondents are in violation of 11 CFR §110.11. Due to the likelihood that Respondents will continue to publish this illegal communication, I respectfully ask the Commission to take immediate action against Respondents.

Violation of 11 CFR §106.3 - Allocation of expenses between campaign and non-campaign related travel.

The second violation of Federal law that Respondents have disregarded relates to reportable expenditures, namely campaign-related travel. In late March 2014, Mr. Knight traveled to Washington, D.C. to promote his candidacy, highlighted by an interview with Stuart Rothenberg, the editor of the Washington, D.C.-based Rothenberg Political Report. The article, written and published by Stuart Rothenberg on April 10, 2014, states:

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"Last week, I interviewed three credible hopefuls in three interesting races, **California Republicans Steve Knight** and Jeff Gorell, and Pennsylvania Democrat Val Arkoosh." ¹

Mr. Knight's presence in Washington, D.C. at that time is further evidenced by a picture posted on his Twitter account on March 31, 2014, lending certainty that his interview with Mr. Rothenberg was in person.² At a candidate debate in August 2014, Mr. Knight stated that he paid for such trips with personal funds.

Federal law clearly states that "travel expenses paid for by a candidate from personal funds... shall constitute reportable expenditures if the travel is campaign-related." (11 CFR §106.3(b)(1)). Here, Mr. Knight traveled to Washington, D.C., and while there, gave an interview regarding the state of his campaign with a noted political analyst. The article discussed Mr. Knight's support from other politicians, his fundraising prowess, and his "deep roots" in the area, evidence of Knight's express advocacy for his election during the interview³. This serves as direct proof that this trip was related to his campaign for Congress and such campaign-related travel should have been reported to the Commission in a timely manner.

Specifically, since there is photographic proof that Knight was in Washington, D.C. on March 31, 2014, the expenditures made from personal funds for his campaign-related travel should have been included in his authorized committee's FEC 2014 April Quarterly Report, which records receipts, disbursements, and an overall cash summary, covering the period from January 1, 2014, to March 31, 2014. I have reviewed this Report, and I did not see the expenditures related to campaign-related travel disclosed within.⁴

This direct violation of federal election law was brought to Respondent's attention at a candidate debate on August 1, 2014. Respondent, now having actual notice of his failure to disclose expenditures made for his campaign-related travel, pledged to amend

¹ See <http://rothenbergpoliticalreport.com/news/article/meet-3-divergent-house-candidates-worth-watching>

² See <https://twitter.com/stephentknight/media>

³ See <http://rothenbergpoliticalreport.com/news/article/meet-3-divergent-house-candidates-worth-watching>

⁴ See <http://www.fec.gov/fecviewer/CandidateCommitteeDetail.do?candidateCommitteeId=H4CA25123&tabIndex=1>

the FEC 2014 April Quarterly Report. I have again reviewed that specific report, and all other subsequent reports that Respondent has filed with the Commission and, as of the time of this letter, the expenditures for campaign-related travel have still not yet been disclosed.⁵

Mr. Knight's use of personal funds for campaign-related travel should have been reported to the Commission as an expenditure on his authorized committee's FEC 2014 April Quarterly Report, and his continued failure to do so is a violation of 11 CFR §106.3.

Violation of 11 CFR §104.3 - Contents of Reports

On or about March 15, 2014, Steve Knight for Congress Committee, the candidate's authorized committee, purchased a billboard to support the campaign. The billboard is located at 20th St. West and Ave. J, in Lancaster, CA. We can allege that the billboard was purchased on or before March 15, 2014, as Mr. Knight photographed the billboard on that date and posted the photograph to his Twitter feed.⁶ The disclaimer states that the billboard was "Paid for by Steve Knight for Congress", the Respondent.

Such an expenditure should have been disclosed on the Respondent's FEC 2014 April Quarterly Report. However, there is no indication within the report that any such disbursement has been made.⁷ Federal law requires that all reports shall disclose "the total amount of all disbursements for the reporting period and for the calendar year..." (11 CFR §104.3(b)(4)). I have read Respondents' FEC 2014 April Quarterly Report, and this particular disbursement was not included in the April Quarterly Report, or in any subsequent reports required by the Commission.

Respondents' failure to report this disbursement in the appropriate report, and the subsequent lapse in including it in future reports, is a continuing violation of federal law.

⁵ See *Id*

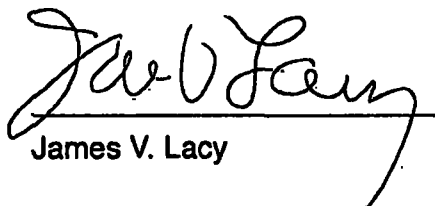
⁶ See <https://twitter.com/stephentknight/media>

⁷ See <http://www.fec.gov/fecviewer/CandidateCommitteeDetail.do?candidateCommitteeId=H4CA25123&tabIndex=1>

Conclusion

In light of the clear and direct evidence of Respondents' continued use of an illegal disclaimer at the end of their radio communication, as well as their ongoing disregard for the reporting of campaign travel-related expenditures, I respectfully request the Commission investigate these matters and penalize Respondents for their wanton violations of federal election law.

Respectfully,

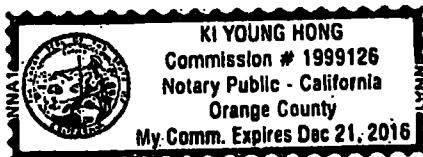

James V. Lacy

Sworn to and subscribed before me this 29 day of SEPT. 2014.

Notary Public in and for the State of California, County of Orange.

My commission expires: DEC. 21, 2016





The Rothenberg Political Report

Meet 3 Divergent House Candidates Worth Watching

Stuart Rothenberg April 10, 2014 · 9:59 AM EDT

While some observers of politics apparently are only interested in statistical models that predict electoral outcomes, I have always thought that candidates matter — both during campaigns and, particularly, when the victorious arrive in Washington, D.C.

In fact I have found interviewing congressional candidates one of the most rewarding parts of my job. Last week, I interviewed three credible hopefuls in three interesting races: California Republicans Steve Knight and Jeff Gorell, and Pennsylvania Democrat Val Arkoosh.

Knight is locked in a fight for retiring Rep. Howard "Buck" McKeon's open 25th District, while Gorell is likely to face off against freshman Democrat Julia Brownley in the state's 26th District in November. Arkoosh, on the other hand, is one of four contenders in a Southeastern Pennsylvania Democratic primary (Rep. Allyson Y. Schwartz's open seat) that will choose the next House member from the state's 13th District.

Knight is a state senator, a former member of the Los Angeles Police Department and the son of a long-time former California legislator. In the open primary, he and another Republican, former state senator Tony Strickland, and Democrat Lee Rogers are fighting for two places on the November ballot.

In 2012, Rogers made the November runoff by drawing just under 30 percent of the vote. No matter which two hopefuls make the November runoff, that election should favor a Republican in this Los Angeles County district.

Knight, a conservative, served on the Palmdale City Council before winning election to the state Assembly and, eventually, the California Senate. He clearly is angry that Strickland, who ran against Brownley in the 26th District last cycle, switched races when the 25th District became open.

Strickland has the support of McKeon, and, more importantly, he has plenty of cash. That's something Knight doesn't have. But Knight does have deep roots in the Antelope Valley, an important part of the district, and plenty of endorsements throughout the district, including from Los Angeles County Supervisor Mike Antonovich.

Strickland and his wife, Audra, have held a number of offices and run unsuccessfully for others. They have made friends along the way but also stepped on plenty of toes.

Both Strickland, whom I interviewed in early February, and Knight are personable and articulate. Strickland has gotten more attention in D.C. because of his Capitol Hill connections, past run for Congress and considerable financial advantage. But Knight starts with a geographic advantage and, while seen as an underdog in the nation's capital, deserves watching in the June 3 primary.

In the neighboring 26th District, located in Ventura County, Republican Assemblyman Gorell hopes to upset Brownley.

A former deputy district attorney in Ventura County for six years, Gorell is in the Naval Reserves and served two tours in Afghanistan (in 2002 and 2011-2012).

He was elected to the Assembly in 2010, succeeding Audra Strickland, who was term-limited. Gorell was re-elected with 52 percent in 2012 at the same time that Mitt Romney was drawing just 43.7 percent in the district. He was endorsed by both the state Chamber of Commerce and the California Labor Federation in his Assembly races.

A self-described moderate Republican who calls himself pro-choice, Gorell believes that the Defense of Marriage Act was unconstitutional and favors comprehensive immigration reform, including a pathway to citizenship for those not here legally.

The GOP challenger came across as one of the most personable, thoughtful, pragmatic and likable candidates I have met this cycle. The question is whether that will be enough for him to oust Brownley, given her incumbency and considerable financial advantage. At the least, this district deserves a long look from those of us who initially didn't have it on our radar.

Finally, many months ago I wrote that state Sen. Daylin Leach, a Democratic candidate in Pennsylvania's open 13th District, was "stunningly down to earth, easy to talk to and analytic. He is able to evaluate himself and others in a detached, thoughtful way. And he is funny and self-deprecating."

Leach is now in a four-way fight against state Rep. Brendan Boyle, former Rep. Marjorie Margolies and Arkoosh for the May 20 Democratic primary.

Last week, I met Arkoosh, an anesthesiologist and one-time president of the progressive National Physicians Alliance, and found her to be a quality candidate as well. Personable, well-spoken and obviously knowledgeable on health care issues, she has a strong campaign team and cash in her war chest.

Arkoosh was active during the initial health care debate and notes that while she is the only Democrat in the race who isn't a politician, she learned how Washington works during her efforts to pass a health care bill.

The primary, which takes place in a district that includes northeast Philadelphia and parts of Montgomery County, is difficult to handicap.

Margolies, who served a single term in Congress and was defeated largely because of her vote supporting the 1993 Clinton budget, probably begins with a name ID advantage. And given that she lost her seat supporting Bill Clinton's budget and her son married Chelsea Clinton in 2010, it's difficult to believe that one of the Clintons won't boost her candidacy in the final weeks of the race.

The two state legislators already represent parts, albeit small ones, of the district and can claim legislative experience: Boyle has a number of local and national union endorsements, while Leach has been endorsed by a number of individuals and groups on the party's left, including Vermont Independent Sen. Bernard Sanders, MoveOn.org, the Progressive Change Campaign Committee and Democracy for America.

Arkoosh should have the most money, and has been endorsed by state Rep. Steve McCarter, a Montgomery County legislator, and the Women's Campaign Fund, where Margolies once served as president. But if she wins, it will be because of her personal story and appeal.

Knight, Gorell and Arkoosh have different agendas and will vote differently if they get to Capitol Hill. But all three have a chance to be nominated and then elected, and all three merit watching.

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This story first appeared in Roll Call, RollCall.com on April 8, 2014.

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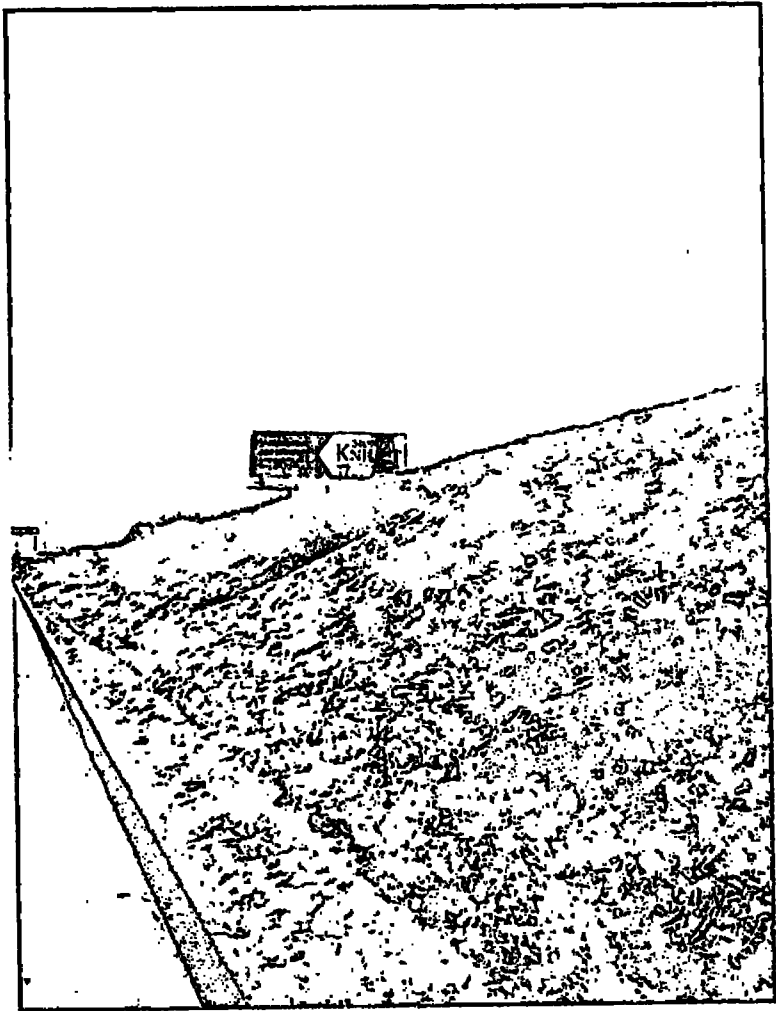


Steve Knight @stephentknight · Mar 31

View of the Washington Monument. pic.twitter.com/0lxp7k1lu

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